



ICE CREAM SOARS BUT TOTAL FROZEN FLAT

The latest data kindly supplied by Kantar Worldpanel shows the frozen food retail market is currently worth just under £5.1 billion and has grown year on year by 0.6% in value. Volume remains largely unchanged and has shown a minor decline of 0.5%.

The star sector currently is the ice cream market who have increased their market sector value to £679 million versus a value of £630 million for the previous year. A very impressive 7.8% value growth. The ice cream sector has also shown real volume growth of 6.5% year on year and shows every sign of coming out of two difficult years when the British weather has been decidedly against the market.

The frozen food retail market has slowed a little over the last six months but this is hardly surprising given retailer sales data showing their performance as being flat at best with the very notable exception of the freezer specialists who are still producing good growth numbers.

The average unit price in the frozen market has grown by 1.1% year on year and inflation has fallen from circa 5% nine months ago to barely 1% today.

The next six months are likely to be pivotal for the frozen market as consumers begin to understand better the full implications of the recent tough budget aimed at addressing the huge budget deficit. The chancellor has targeted around 75% of his anticipated savings through cuts in public expenditure but a further 25% through taxation. It will be some time before we begin to understand how that affects consumer behaviour but historically the harder the times the better the frozen food market performs. The jury is out and we wait to see.

RETAIL FROZEN FOOD STATISTICS YEAR ON YEAR TO 13 JUNE 2010

Retail Categories	Value (000's £)			Volume (000's Kgs)		
	52 w/e 14 Jun 09	52 w/e 13 Jun 10	% Gain/Loss	52 w/e 14 Jun 09	52 w/e 13 Jun 10	% Gain/Loss
Total Frozen Foods	5,065,660	5,096,703	0.6	2,010,244	2,000,797	-0.5
Total Ice Cream	629,499	678,724	7.8	315,580	336,158	6.5
Frozen Confectionary	279,628	275,711	-1.4	82,229	80,919	-1.6
Frozen Fish	710,633	723,958	1.9	123,719	124,041	0.3
Frozen Meat & Poultry	581,787	555,630	-4.5	179,929	162,403	-9.7
Frozen Vegetables	409,230	413,676	1.1	290,069	289,564	-0.2
Frozen Potato Products	534,938	536,676	0.3	464,791	469,428	1.0
Frozen Ready Meals	657,057	650,490	-1.0	187,884	179,812	-4.3
Frozen Pizza	375,550	378,245	0.7	98,714	102,354	3.7
Frozen Savoury Food*	887,338	883,592	-0.4	267,331	256,121	-4.2

*Savoury Food includes Frozen Bread, Frozen stuffing Cooked poultry, Meat Products, Processed Poultry, Savoury Bakery, vegetarian products and Other Frozen Foods



Source: Kantar Worldpanel
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